

March 30, 2010

MINUTES OF THE CITY COUNCIL WORK SESSION HELD MARCH 30, 2010

A Work Session of the City Council of the City of Hopewell, Virginia, was held Tuesday, March 30, 2010 at 6:00 PM in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia.

PRESENT: Brenda S. Pelham, Mayor
N. Gregory Cuffey, Vice Mayor
Christina J. Luman-Bailey, Councilor
Curtis W. Harris, Councilor
Kenneth B. Emerson, Councilor
Gerald S. Stokes, Councilor
K. Wayne Walton, Councilor

Ann M. Romano, City Clerk
Edwin C. Daley, City Manager
Thomas E. Lacheney, City Attorney

Mayor Pelham opened the work session at 6:00 PM. Roll call was taken as follows:

Mayor Pelham	-	yes
Vice Mayor Cuffey	-	yes
Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes

WORK SESSION

1. **Virginia American Water Company – William Walsh, President** – Mr. Walsh indicated that VAWCO has applied for an increase in their water rates. They will try to hold several meetings with the general public as well. Dates have not yet been established by the State Corporation Commission. The Plant Improvement Project is driving the rate case. VAWCO is a subsidiary of American Water Company, which is the largest in the country. There are approximately 54,000 VAWCO customers in the Commonwealth of Virginia. Hopewell has the largest industrial base, with two different types of water. A team of 35 VAWCO employees operate in Hopewell. The parent company is located in Voorhees, New Jersey. The water treated in Hopewell is part of the Chesapeake Bay Water Shed.

Some of the issues are: Chesapeake Bay Estuary; algae; capacity; reliability; and, aging infrastructure. The estimated project cost is \$24.7 Million.

2010 Rate Case: In Mid-August 2010 the new rates will go into effect. In a few more months the final ruling will be made. If it is not approved, they must refund any difference.

DISCUSSION: The present capacity in Hopewell is 12 million gallons per day. Hopewell citizens are not paying for industrial improvements. \$15 million of the total project is for potable water; however, some of it is also used by industry. Mr. Walsh was disappointed by information going out to the community prematurely causing confusion. On Wednesday, April 7, 2010 he will be talking to citizens to relay information. VAWCO has a separate contract with Ft. Lee. In 2008 the increase was for inflation. The company plans to replace all of the old wood equipment used for drinking water. The Health Department regulations require expansion. Mr. Walsh indicated that, in his opinion, it would not be better for Hopewell to own the water company. There was some council interest about eventually owning the water company. Mr. Walsh indicated that the company is involved with communities all over the country. They are able to keep the costs below what would be expected. On August 13, 2010

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new rates will go into effect, under bond. In September or October the SCC will rule what rates really should be. They are looking to increase \$6.8 million; about \$3 million is from the Hopewell area. The customer cost will be \$26.11 per quarter, or \$8.70 per month. No stimulus funds have been received for this project. Funds have been channeled into the Health Department. Upon the question of the percentage of the last increase, he was unsure but he suspected near 3%. Their plan is file rate increases every two years. The electric companies are mandated to do it every two years. VAWCO has asked for 11.5%. The company also would not be able to raise the rates by one-half in each of two years. The SCC could recommend step increases, and there are many other options. The wastewater industry is capital industry and capital intensive utilities remain a factor. They do invest each year more than they make, because of high capital needs of investment. VAWCO knew when they broke ground that it would be rate based. The SCC has new rules, and has already spent \$1M on the project. There are several rate cases at the same time. The developmental process is not the same as in other rate cases. The Commission requires filing for all districts at the same time; it is the law. There are some shared costs, shared by the 22 communities in Virginia. The rationale goes back to the cost of service. The main component in Hopewell is the plant project. The information might already be available on the company's website. The SCC website provides all information and correspondence during the entire process. This project would be necessary even if Hopewell residents cut back on usage. The plant capacity is 12M gallons per day. Future expansions could be impacted by lower water usage. If the SCC indicates 0-3% VAWCO would have to look for different solutions. During the last 20 years many facilities have aged and are in bad shape; there is no reliability. Service levels and costs are tied together. Operating and maintenance costs just run the business. The only profit margin is on money that comes in for the new infrastructure. A 12% profit margin is almost three times the average. They would not have asked if they did not feel it was legitimate. VAWCO feels that 11.5% is justified in today's market. Most of the customer complaints have been received from government vs. citizens. The City of Hopewell has used this company for almost 100 years. Richmond and Petersburg pay more than we do. Some Councilors are just looking for fairness. There is a lot of history and it is no surprise that the cypress tanks have lasted. There is great importance with the history of the water company. There was Council interest in what would be necessary to take out one or two tubs to preserve. The Town Meeting for Hopewell residents was scheduled for April 7, 2010 at 5:00 PM at Carter G. Woodson Middle School.

At 8:35 PM Mayor Pelham called for a five minute recess. The meeting resumed at 8:45 PM.

2. **CDBG – Fair Housing Report – Tevya Griffin, City Planner** – Fair housing is defined as the ability of persons of similar income levels to have the same housing choices regardless of race, color, religion, sex, handicap, familial status or national origin according Title VII of the Civil Rights Act of 1968 (Fair Housing Act).

As a Community Development Block Grant (CDBG) entitlement community the City is required to complete an Analysis of Impediments (AI) to Fair Housing Study every five (5) years. The Impediments Study details impediments to fair housing and the interrelated issues associated with affordable housing in a locality.

The last Hopewell Analysis of Impediments Study was conducted in September 2003. The City began the procurement process to hire a consultant to complete a new AI in 2008. Bay Area Economics was chosen as the consultant for the project and started work in 2009. A public information meeting was held at the Appomattox Regional Library on June 25, 2009. Meeting participants were asked several questions to better understand their perception of fair housing impediments in the City.

Bay Area Economics has used input from the June 2009 meeting, demographic and housing analysis, interviews with fair housing stakeholders, input from the Hopewell Redevelopment Housing Authority, and the results of undisclosed rental testing within the City to develop the 2009 City of Hopewell Fair Housing Impediments Study. The study describes barriers that may limit housing choice and recommends possible actions to rectify impediments identified.

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3. **Street Naming Committee Report – David Thompson, GIS Coordinator** – Robert Traylor asked for a street name change for Madison Street. There were no guidelines in the City Code. City Council created a committee to develop guidelines and a policy. Staff appointed to that committee: David Thompson-GIS Coordinator, Tevya Griffin-City Planner, and Johnnie Butler-City Engineer. Citizens appointed: Blane Coleman, David Harless, Paul Karnes, Rebecca Redling, Cheryl Patterson, Lloyd Taylor, and Herbert Townes. Three of the citizen members attended the work session: David Harless, Lloyd Taylor, and Paul Karnes. The Adoption of Street Renaming Procedures/Guideline dated March 23, 2010 was distributed (filed in the City Clerk's Office).

Mr. Harless addressed City Council. The concern regarding Madison Street was precedence. There were concerns for emergencies, the Fire Department, the Police Department, and the postal service. Administrative fees should not be waived. Mr. Harless commended staff. Mr. Thompson was commended for his responsiveness and indicated that there is no reason to maintain the committee. Everything should run through staff.

DISCUSSION: The street name does not go into effect until the fee has been paid, and the time limit for payment is six months. The \$200 fee is paid with the application. Other costs would be within the six-month period. One committee member attended only the first meeting. Everyone else attended at least one meeting and received all correspondence. Mr. Karnes agreed that the committee should dissolve and turn over to staff. The committee was adamant that alleys should not be named.

4. **Census Presentation – Tevya Griffin, City Planner** – All Hopewell residents were asked to return and mail 2010 Census Forms. Additional information is available at www.2010.census.gov or Mrs. Griffin may be reached at 541-2220. The Census information is important for congressional districts. An event has been scheduled on April 10 at 10:00 AM at the Hopewell Community Center. Ward 1 and Ward 2 events will be in April. They are targeting those wards because in the last census they had the lowest returns. If forms are not returned, enumerators will go door to door to help fill out the forms. Information from the census forms is good for education, Social Services programs, etc. Churches will also be soliciting on Sundays to complete the census forms.

5. **Commercial/Retail Zoning Revisions – March Altman, Director of Development and Assistant City Manager for Community Development** – Mr. Altman distributed a letter dated March 25, 2010 to City Council (filed in the City Clerk's office). All four public hearings will be on the April 13, 2010 City Council agenda. City Council has conducted a worksession to review the zoning ordinance amendment for Article IX, Central Business District (B-1). At the meeting Council referred the issues of having a design review committee back to the Planning Commission. The Commission discussed the issues and reported back to Council that it felt a review committee was appropriate. At the March 9, 2010 meeting of city Council, Council appointed the membership of the Downtown Design Review Committee, and the committee held its first meeting on March 10, 2010.

As for the remaining business zoning districts, amendments were prepared to each district eliminating the "catch-all" use, such as "retail uses not otherwise listed in this ordinance" to address the establishment of undesired businesses within the community. The draft amendments were presented to the Planning Commission at their March 23, 2010 worksession for review and comment. Those comments have been incorporated into the draft amendments. The Commission will hold a public hearing on these amendments at their April 1, 2010 meeting. City Council will hold a public hearing on April 13, 2010.

6. **Proposals to Beautify/Enhance Hopewell's Tourist/historic areas – Councilor Luman-Bailey** –

- Speed "Dips" on Cedar Lane for traffic calming – This is being discussed with the Police Department, and they are looking at other streets.
- Improved signage and lighting for tourist/historic areas – Design Promotions Committee.
- Gateway (Route #10) Improvements - Trying to improve the overall look of the area and gateways to the city. The committee met on March 23, 2010 and made progress. Lee Shadbolt is on

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the committee, and is an architect. City Point District – not about what is already there. Eventually replacing in the future. Spruce up the signs that are faded and illegible (Tourism designation signs).

7. **Budget Update – Dr. Daley, City Manager** – Dr. Daley handed out budget forms and asked those Councilors who had not completed them yet to please do so.

CLOSED SESSION

At 9:31 PM, motion was made by Councilor Harris, and seconded by Vice Mayor Cuffey, to convene into Closed Session to discuss Litigation, in accordance with Virginia Code Sec. 2.2-3711 (A) (7). Upon the roll call, the vote resulted:

Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes
Vice Mayor Cuffey	-	yes

OPEN SESSION

Council convened into Open Session. Councilors responded to the question: “Were the only matters discussed in the Closed Meeting public business matters lawfully exempted from open meeting requirements; and public business matters identified in the motion to convene into Closed Session?” Upon the roll call, the vote resulted:

Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes
Vice Mayor Cuffey	-	yes

ADJOURN

At 9:50 PM motion was made by Vice Mayor Cuffey, and seconded by Councilor Walton, to adjourn the meeting. Upon the roll call, the vote resulted:

Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes
Councilor Stokes	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes
Vice Mayor Cuffey	-	yes

Brenda S. Pelham, Mayor

Ann M. Romano, City Clerk